

bring about the conditions which lead to it.

Doles, however grandly they may be dressed up in the name of social security, are not a substitute for justice. Inequality in the distribution of wealth and hindrances to its production are the two primary social evils. Not to palliate the results but to destroy the causes must be the true aim of political endeavour. Let the political parties and the electors give heed to that ere it is too late.

### LLOYD GEORGE UNACKNOWLEDGED

THERE WAS significance in the failure of most of the Press obituaries of Lord Lloyd George, who died on March 26, to dwell upon the campaign as a social reformer by which he made his greatest mark on British politics. Most of the writers glossed over the People's Budget of 1909, where they mentioned it at all. They would not allow that the land question played such a notable part in our political history, but following the fashion of the times they turned attention upon the palliative legislation which (to its own undoing) the Liberal Party developed and presented to the Socialists of all brands. They handed bouquets to Lloyd George as the originator of the National Insurance Acts, inferentially praising him for doing what in fact he did—desert the cause of the land for the people. But there were some who made passing reference to that land campaign, which roused the country as it has never been roused before or since. The iniquities of landlordism had been revealed, and with that perception of where the real power lay that held the people in thrall, two General Elections were fought to force the Budget, inept beginning as it was, over the heads of the House of Lords and to pass the Parliament Act which for ever made the House of Commons supreme in our body politic.

Various papers reminded us that the Limehouse speech (and as we read it again how we starve for the statesman who will speak out with the same boldness and truth) provided a synonym for scurrilous invective, the easy reproof and riposte to any righteous indignation. Thus the *Scotsman* spoke of the Lloyd George platform method which "could descend to such excesses as those of Limehouse and Mile End very different from the suavity of manner he had acquired in the House of Commons when (in 1908) he was piloting his Bills as President of the Board of Health. These are amusing apologies for the vehemence of some of the well-remembered attacks on the House of Lords; and the compliment that Lloyd George could be affable—to the Tories—is not out of place, seeing that the measures referred to, coming from the spokesman of a Liberal Government, were the Merchant Shipping Act and the Patents and Designs Act which sowed the seeds of the now luxuriant Protectionist plant.

The memory of Lloyd George was as badly served by Mr. Churchill, who also found discretion in his silence on that Budget Land Campaign and all that it involved. He confined his tribute to Lloyd George's place in domestic politics to "having launched the Liberal and Radical forces in this country into the broad stream of social betterment and social security along which all modern parties now steered"; and Mr. Churchill, doing scant justice to himself, said, "I was his lieutenant in those days and shared in a minor way in the work."

How incomplete and misleading that

### HOUSE RENTS — SOME FORGOTTEN ASPECTS

THE ALMOST hopeless muddle in the housing situation is likely to be the priority question in the forthcoming General Election. Absence of skilled labour has been the main excuse. Now that labour will soon be returning from the war it will be the high cost of materials and land that will be seen to be the obstacles to house production. Government departments dilly-dally between one plan and another, between one type of house and another. Good old bricks and mortar are ruled out because of time taken in erection. Steel, aluminium, three-ply, and other materials are being experimented with. If, as a cynic might suggest, we are driven to celluloid and cellophane for dwellings, all these materials come from land, and under present monopoly conditions their cost progressively rises.

Three things enter into the cost of housing:—the price of land, the price of materials, and the heavy taxation of dwellings under our local rating system. A separate aspect, but most important, is the poverty of the people for whom the houses are built.

As to the cost of land, the most recent exposure was in the House of Lords debate when Lord Latham stated that £400 per house (not per acre) has been the average (not exceptional) cost of land for temporary houses to the London County Council. All over the country municipalities find that rising land prices are the initial obstacle to their building programmes. Speculation in land is rampant. The scandal is recognised, but not so the remedy, involving a change in our rating system, by bringing on to the rate books the unused land which is the chief subject of speculation by the owners.

If land for building sites is subject to speculative influences so will be the land from which materials are derived. This is so obvious as not to require labouring. But the third element in the cost of houses to those who dwell in them; is one that is often overlooked as a factor in the problem. This factor is the rates levied on houses. After being practically stationary for some years, local rates all through the country, are now advancing at a speed equalling the rise in land. The

picture is can be gauged by a reading of the speeches Mr. Churchill did make at that time, not on the national insurance scheme of things but on the land question. With a brilliance of oratory exceeding that of his captain he was the good lieutenant in the campaign which he himself inspired with Cobden's words, "You who shall liberate the land will do more for your country than we have done in the liberation of its commerce." But the curtain which he said at the Drury Lane Theatre in 1907 "had been pulled up upon a piece that was going to have a long run" is now drawn over all that.

provision of houses is itself one cause of the rise in rates.

The long-needed education programme, and the threatened cost of such schemes as the national health plan, all help to enhance the cost of local government. In some of our great cities the rates approach the level of 20s. in the £ with the promise of further additions.

The chief burden of the rates falls upon the lowest range of dwellings. This is a point often overlooked. It is assumed that a city's income must come mainly from the big businesses, factories, warehouses, etc. As a fact, from one-half to two-thirds of municipal revenue is derived from property up to £30 per annum assessable value. It is this class of property that constitutes the housing problem, the replacement and increasing of the houses required by the working classes of the people, the class that bears the heaviest proportion of the cost of local government.

Thus we see the housing problem as a vicious circle, and an ever narrowing one. As the total cost of a house rises, a pre-war £300 house now costing £750, and a £500 now costing £1,000, the rates on the house are proportionately higher, and the ability of the people whose need is greatest is more and more inadequate to pay the combined rents and rates of even the poorest type of dwellings or flats. It has been said, as rents get higher, ceilings get lower. The people are to be offered homes that are so sub-standard as to be only tolerable for ten years. The authorities evidently count on the maxim that the patience of the poor is the foundation of society.

There is abundant experience from the pre-war peace years if we could learn from it. Beautiful housing estates were planned and built in many parts of the country, but it was found they did not solve the problem of housing the poor, which is a poverty problem. Just before the war the medical officer of Stockton-on-Tees was saying that the death rate was greater in the new housing estate there, than in the slums from which the tenants came.

Manchester is justly proud of its garden city at Wythenshawe, but the city has not recovered from its surprise when

it found that people who had been almost forced to leave the slums of Hulme to take houses in Wythenshawe were returning to the older areas of the city. A city missionary was reported in 1938 as saying: "The only objection to the slum clearance schemes is because of the increased cost of living imposed upon the people who are sent to live in a suburban area. There are scores of men and women who would be better off on public assistance than they are working and earning about 35s. per week. When these people and their families are sent under slum clearance schemes to a suburb like Wythenshawe, their rents are increased from 5s. to 6s. per week and the travelling expenses to their work amount to nearly as much. This money could come only at the expense of the people's stomachs. They were starving their bodies, and in two years their condition was far worse in the model cities than in the slums."

In 1936 the Sanitary Inspector of Neath in South Wales was asking, "How is it possible for the poorest families to live in municipal houses and pay their rents without the inevitable result—suffering?" and he went on to say that people on the new estates would die more quickly than they did in the slums and overcrowded houses from which they came. It is too obvious for any one to be ignorant of, that if rates were taken off all dwellings and other improvements, and levied on land value instead, the tenants of the lower range of houses and flats would greatly benefit. Here is a tenant of a Manchester municipal flat whose rent is 9s. 7½d. per week, of which rates account for 3s. 1½d. and he would be relieved of this if houses were rate free. The *Old Age Pensioner* (April) quotes a widow's budget for herself and two children amounting to £2 7s. 7d. per week of which 13s. 3d. is for rent (and rates).

Such instances should remind us that the housing problem is not an architect's problem, nor one simply of town-planning. It is a wage problem and a taxation problem, and bound up in every aspect is our land system, which encourages private owners to hold back their property from the market until public and private builders are compelled by pressing necessity to pay the speculative prices which the monopoly market enforces.

Whether houses are of the Portal or the Mulberry type matters little, compared with the question whether we shall continue to levy taxation on the value of houses instead of on the value of land. Under the Sydney system of rate-free houses the people would be able to live in them; under our existing system it is doubtful whether they could live or only starve in the new houses when they are some day built.

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## SIR JOHN ANDERSON'S EXCUSES

IN THE course of his speech in reply to the discussion on the Budget the Chancellor of the Exchequer (Sir John Anderson) made some observations on land values and taxation which call for comment. He was replying to the speeches by Messrs. W. J. Brown, R. R. Stokes and A. MacLaren which we report in another column. He said that "it is in the minds of a number of honourable members that when an increase in the value of land becomes apparent, for example through a lease falling in and being renewed, that that is the occasion when there suddenly comes into existence a large amount of new capital which could be taxed." It is unlikely that many members held such views. Certainly the case for the taxation of land values is not based upon such arguments. An increase in the value of land is not capital, new or old. It is the price of the power to take increased rent for the land. The occasion of the falling in of a lease or a sale of the land reveals the increase in value which has taken place as compared with some previous occasion. Such illustrations provide useful and often striking evidence of the growth of land values and of the amount of the wealth produced by society which has to be paid to landlords for permission to produce it.

The Chancellor of the Exchequer was quite right in saying that the accretion of value "is a process which is going on continuously." He continued: "Land is changing hands all the time and on a rising market at increasing rates, and unless you are going to do very grave injustice you cannot pounce selectively on that class of property and seek to take enormous sums from those persons who at that time happened to be in possession of that type of property rather than some other type of property." This is to some extent a good argument against an increment tax levied upon increases of land values as fortuitously exhibited by sales or the falling in of leases. Such a tax does not treat all owners of land equally and this was one of the faults of the increment tax introduced by Mr. Lloyd George in 1909. But the criticism is quite irrelevant to a tax levied year by year upon the value of land without regard to whether the land is sold or not, and according to the value from time to time irrespective of whether the value goes up or down. Such a tax deals with all owners of land equally, requiring them to pay according to the actual value. It is neither arbitrary nor unjust in its incidence.

At the conclusion of this part of his speech the Chancellor of the Exchequer repudiated the suggestion that the Government have no policy at all, and said that the White Paper on Compensation and Betterment contained a "long term plan for dealing with this particular subject which some regard as of great

social benefit." Curiously enough the White Paper in addition to its other defects contains exactly the same fallacy as the Chancellor has here criticised. It proposes to exact a betterment charge whenever the use of any piece of land is changed. This is a capital tax upon the increase of value which has been slowly accruing and is brought into notice by the change of circumstances. It is a tax which has just the same faults as the increment taxation which the Chancellor condemned.

When the White Paper was published it was evident that the Government was still in the state of confusion over the land question which had been revealed in many previous pronouncements on planning, compensation and betterment. This latest statement by one of the most intelligent members of the Cabinet shows that that condition still exists. This is disquieting and alarming at a time when remedial legislation is so long overdue.

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